



June 11, 2014

Item No. 6

**AUTHORIZATION TO EXERCISE FIRST OPTION YEAR AND EXECUTE AN AMENDMENT TO
INCREASE THE NOT-TO-EXCEED AMOUNT OF CONTRACT NO. 11304 WITH GILBANE
BUILDING COMPANY FOR AUTHORITY-WIDE PROGRAM/CONSTRUCTION MANAGEMENT
SERVICES**

To the Honorable Board of Commissioners:

RECOMMENDATION

It is recommended that the Board of Commissioners authorize the Chief Executive Officer or his designee to execute Amendment No. 1 to Contract No. 11304 (the "Contract") with Gilbane Building Company to: (1) increase the not-to-exceed amount of the base year by \$109,760, for the new not-to-exceed amount of \$4,073,583 for the base term; and (2) exercise the Contract's Option Year 1 for an amount not-to-exceed \$4,083,934, as set forth in the Contract, for the period of 7/10/14 to 7/9/15 to provide Authority Wide Program/Construction Management Services. The new aggregate total compensation amount of the Contract will be an amount not-to-exceed \$8,157,517.

The Deputy Chief and the Interim Director of the Capital Construction Department, the Office of the General Counsel, and the Department of Procurement and Contracts have completed all necessary due diligence to support the submission of this initiative and recommend the approval of this item accordingly.

CORPORATE MISSION

Ensure CHA's portfolio is safe, decent and sustainable.

FUNDING

General Fund - FY2014

M/W/DBE Participation and Section 3

	REQUIREMENTS		COMMITMENTS	
	Percentage	Dollars	Percentage	Dollars
M/W/DBE	20%	\$1,631,503.40	51.53%	\$4,203,507.00
Section 3 Business Concern	3%	\$244,725.51	5.50%	\$448,717.00

	REQUIREMENTS			COMMITMENTS	
	Percentage	Total New Hires Needed	Total Section 3 Hires Required	Percentage	No. of Hires
Section 3 Hiring	30%	1	0.3	100%	1

GENERAL BACKGROUND /EXPLANATION

The purpose of Program/Construction Management (P/CM) Services is to augment Capital Construction Department ("CCD") staffing needs to support and manage the Authority's Plan Forward. The P/CM history:

2000: Decentralized construction management model with Project level construction management (CM) services provided by individual Owner's Representatives (ORs) on a project by project basis and Program level CM services provided by a Managing Owner's Representative. (MOR).

2003: McKissack & McKissack awarded MOR contract through competitive RFP.

2006: CHA pursued a hybrid (CHA and Non-CHA Staff) outsourcing strategy that combined program and project management levels:

- Program Planning through project closeout
- Integrate program and project level controls systems
- Standardized project management practices across all projects
- Greater flexibility for managing variable annual work load
- Partnership for Transformation (a joint venture of McKissack & McKissack, Rise and URS) was awarded the Program and Construction Management (P/CM) services contract through a competitive Request for Proposal (RFP).

2010: Partnership for Transformation awarded P/CM contract through competitive RFP, for one (1) year base term and two (2) one (1) year options.

2013: Gilbane Building Company ("Gilbane") awarded P/CM contract through competitive RFP, for 1 year base term, and two 1 year options.

CONTRACTUAL CONSIDERATIONS

CHA executed contract number 11304 with Gilbane Building Company ("Gilbane") on July 10, 2013 for a one year base period with two one year renewal options. The base one year Contract was for a not-to-exceed amount of \$3,963,823, which will expire on July 9, 2014.

The CHA continues to require the construction and program management services of Gilbane to meet the CHA's critical goals for Senior Housing Life Safety/Capital Maintenance, ADA/504 Federal requirements, and Scattered Sites and Unit acquisition projects for 2014 and 2015. Gilbane's role will be to continue to support CCD's "in-house" staff, which is not of sufficient size to handle CHA's projected construction projects. Therefore, Gilbane has become an integral part of the CCD management team and has provided satisfactory service during its base year, and the continuation of their construction management services contract continues to be important to the timely achievement of the CHA's Plan Forward.

Gilbane and CHA have reviewed Gilbane's staffing levels and have agreed to adjust them accordingly based on the revised number of projected projects. For the base year, the staffing level increased from 21 to 24 requiring an increase in the Contract not-to-exceed amount for the base term from \$3,963,823 to \$4,073,583. Further analysis is underway for the staffing requirements that will be

needed for Option Year 1 and an amendment for the Option Year will be presented at the July 2014 Board meeting.

CCD staff has reviewed the proposed costs, and has determined that the proposed costs are in accordance with industry standards. The Board action recommended in this item complies in all material respects with all applicable Chicago Housing Authority Board policies and all applicable federal (Department of Housing and Urban Development) procurement laws.

Based on the foregoing, it is recommended that the Board of Commissioners authorize the Chief Executive Officer or his designee to execute Amendment No. 1 to the Contract with Gilbane Building Company to: (1) increase the not-to-exceed amount of the base year by \$109,760 for a new amount not-to-exceed \$4,073,583 for the base term; and (2) exercise the Contract's Option Year 1 for an amount not-to-exceed \$4,083,934, as set forth in the Contract, for the period of 7/10/14 to 7/9/15 to provide Authority Wide Program/Construction Management Services. The new aggregate total compensation amount of the Contract will be an amount not-to-exceed \$8,157,517.

The Deputy Chief and Interim Director of Construction concur with the recommendation to execute Amendment No. 1 modify the Contract's base term not-to-exceed amount and exercise option year 1 to Contract No. 11304 with Gilbane Building Company.

The CEO/President recommends the approval to execute Amendment No. 1 to Contract No. 11304 with Gilbane Building Company to: (1) increase the Contract's base term not-to-exceed amount by \$109,760; and (2) exercise the Contract's Option Year 1 for an amount not-to-exceed \$4,083,934, as set forth in the Contract for the period of 7/10/14 to 7/9/15 to provide Authority Wide Program/Construction Management Services. The new aggregate total compensation amount of the Contract will be an amount not-to-exceed \$8,157,517.

RESOLUTION NO. 2014-CHA-61

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated June 11, 2014 entitled "AUTHORIZATION TO EXERCISE FIRST OPTION YEAR AND EXECUTE AN AMENDMENT TO INCREASE THE NOT-TO-EXCEED AMOUNT OF CONTRACT NO. 11304 WITH GILBANE BUILDING COMPANY FOR AUTHORITY-WIDE PROGRAM/CONSTRUCTION MANAGEMENT SERVICES";

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT the Board of Commissioners authorizes the Chief Executive Officer or his designee to execute Amendment No. 1 to Contract No. 11304 with Gilbane Building Company to: (1) increase the not-to-exceed amount of the base year by \$109,760, for the base term; and (2) exercise the Contract's Option Year 1 for an amount not-to-exceed \$4,083,934, as set forth in the Contract for the period of 7/10/14 to 7/9/15 to provide Authority Wide Program/Construction Management Services. The new aggregate total compensation amount of the Contract will be an amount not-to-exceed \$8,157,517

This award is subject to the Contractor's compliance with the CHA's MBE/WBE/DBE, Section 3, and insurance requirements.



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